

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4228
ANSWERED ON:15.12.2000
INDIA MILLENNIUM DEPOSIT BONDS
Y.S. VIVEKANANDA REDDY

Will the Minister of FINANCE be pleased to state:

- (a) Whether SBI paid commissions to financial agencies to help sell the IMD bonds in foreign countries;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether this has affected the most of the Indian private and public sector banks which mobilised forex for IMD issued by SBI; and
- (d) if so, the details thereof

Answer

Minister of State in the Ministry of Finance (Shri Bala Saheb Vikhe Patil)

(a) & (b) State Bank of India had appointed Indian and foreign Banks as collecting and arranger banks to mobilise deposits under the IMD programme both in India and abroad. Commission is payable at 0.25% of the amount collected. Arranger fee is payable as under:

PROCUREMENT (IN USD) Million	ARRANGER FEE
Upto \$ 5 mio	0.50%
More than \$ 5 mio upto \$25 mio	0.75%
More than \$25 mio upto \$ 50 mio	1.00%
More than \$50 mio upto \$100 mio	1.25%
More than \$100 mio	1.50%

(c) & (d) Indian private and public sector banks are also eligible to be paid commission and arranger fee depending on the amounts collected and procured respectively as per international practice for such programmes.